

***FIRE PROTECTION DISTRICT NO. 6  
Of the Parishes of Terrebonne and Lafourche  
State of Louisiana  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2013***

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche**  
**State of Louisiana**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended December 31, 2013**

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**FIRE PROTECTION DISTRICT NO. 6**  
**Of the PARISHES OF TERREBONNE AND LAFOURCHE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

This discussion and analysis of Fire Protection District No. 6's (the District) financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2013. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

- The net position increased as a result of this year's operations. The net position of our governmental activities increased by \$194,869, or approximately 8%. As a result of this year's operations assets exceeded liabilities by \$2,327,192 (net position).
- During the year, expenses were \$645,277 more than the \$43,090 generated in program revenues for governmental programs. General revenues of \$840,146 added to the program revenues made up the shortfall to end the year with revenue exceeding expenditures by \$194,869. This compares to last year when expenses exceeded revenues by \$236,710.
- Program expenses increased slightly by \$2,561, while revenues also increased by over \$46,000 approximately 6%.
- Governmental funds reported an ending fund balance of \$1,109,974 – of which \$42,936 is considered non-spendable for prepaid insurance and \$25,000 is committed by the Board for fire truck replacement.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the PARISHES OF TERREBONNE AND LAFOURCHE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities.

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Fire Protection District utilizes a governmental type of fund with the following accounting approach. All of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the PARISHES OF TERREBONNE AND LAFOURCHE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

**FINANCIAL ANALYSIS AS A WHOLE (GWFS)**

The net position increased by \$194,869 about 8% as noted in the following table. In comparison, last year net position increased by \$236,710 or about 12%. A large portion of the District's net assets reflects its investment in capital assets. Current assets increased significantly by a little over 46%, while capital assets decreased slightly. Long-term liabilities increased for the amount incurred for the increase in OPEB liability.

Condensed Statement of Net Position

	2012	2013	Dollar Change
Current and Other Assets	\$1,014,998	\$1,898,472	\$ 883,474
Capital Assets	1,772,726	1,698,175	(74,551)
<b>Total Assets</b>	<b>2,787,724</b>	<b>3,596,647</b>	<b>808,923</b>
Current Liabilities	116,035	11,667	(104,368)
Long-term Liabilities	440,000	469,290	29,290
<b>Total Liabilities</b>	<b>556,035</b>	<b>480,957</b>	<b>(75,078)</b>
<b>Deferred Inflows</b>	<b>904,887</b>	<b>788,498</b>	<b>(116,389)</b>
Invested in Capital Assets	1,332,726	1,338,175	5,449
Restricted	-	25,000	25,000
Unrestricted	799,597	964,017	164,420
<b>Total Net Position</b>	<b>\$2,132,323</b>	<b>\$2,327,192</b>	<b>\$ 194,869</b>

The net position of governmental activities increased by as noted in the following table. The amount spent on operating and maintaining the fire safety (program expenses) of the District increased by \$46,573 or 6.8% during the year. Program revenues also increased slightly from the prior year, as did general revenues.

Condensed Statement of Activities

	2012	2013	Dollar Change
Total program expenses	\$ (641,794)	\$ (688,367)	\$ 46,573
Total program revenues	40,529	43,090	2,561
<b>Net program income</b>	<b>(601,265)</b>	<b>(645,277)</b>	<b>(44,012)</b>
General revenues	837,975	840,146	2,171
<b>Change in Net Position</b>	<b>236,710</b>	<b>194,869</b>	<b>41,841</b>
<b>Net Position:</b>			
Beginning of the year	1,895,613	2,132,323	236,710
End of the year	<b>\$2,132,323</b>	<b>\$2,327,192</b>	<b>\$ 194,869</b>

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the PARISHES OF TERREBONNE AND LAFOURCHE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)**

The Fire Protection District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General fund reported an ending fund balance of \$1,109,974 of which - \$42,936 was non-spendable by the nature of the account for Prepaid Insurance and \$25,000 was committed by the Board for fire truck replacement.

This reflects an increase of \$203,093 or 22% from the prior year. Revenues increased slightly by \$6,210 or approximately 1%. Current expenditures for public safety increased by 8%. Capital outlay expenditures were \$28,775, including the purchase of equipment.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was revised during the year. Authorized budget amendments were approved as follows:

Original Budgeted Revenues	\$885,350
<b>Amendments were made for:</b>	
Decreased Ad Valorem taxes	(19,678)
Increased Intergovernmental revenue	2,500
Decreased Interest and Miscellaneous	(800)
Decreased Other Financing Sources (Uses)	(76,000)
<b>Total revenue amendments</b>	<b>(93,978)</b>
Amended Budgeted Revenues	\$791,372

Original Budgeted Expenditures	\$800,950
<b>Amendments were made for:</b>	
Decreased current expenditures	(40,300)
Decreased Capital Outlay	(21,500)
<b>Total expenditure amendments</b>	<b>(61,800)</b>
Amended Budgeted Expenditures	\$739,150

All variances were favorable and in compliance with the State Budget Law.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the PARISHES OF TERREBONNE AND LAFOURCHE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2013*

**CAPITAL ASSETS**

Capital assets, net of accumulated depreciation of \$1,764,917, for governmental activities at year-end were \$1,698,175. This year there was total additions of \$28,775 and capitalized. Depreciation of \$103,326 was recorded on capital assets. More detailed information about the capital assets is presented in Note 4 to the financial statements.

**LONG-TERM DEBT**

In 2011 the Board approved the issuance, sale and delivery of not exceeding \$750,000 of Limited Tax Certificates of Indebtedness, Series 2012 for the purpose of acquiring, constructing and maintaining fire protection facilities and paying the costs of issuance. The Certificates are secured by and payable from a special 16 mills tax, authorized at an election held within the District on October 20, 2010. The Certificates are issued with a final maturity not exceeding five years from date thereof and an interest rate not exceeding 6.0%.

There were principal payments of \$80,000 and \$14,000 of interest incurred during the year. More detailed information about the long term debt is presented in Note 6 to the financial statements.

**OTHER POST EMPLOYMENT BENEFITS**

The District has implemented Governmental Accounting Standards Board (GASB) Statement 45 which addresses the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," requires the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The net OPEB obligation for the year ending December 31, 2013 of \$109,290 was recorded in the government-wide financial statements as a non-current liability. More detailed information about the other post employment benefits is presented in Note 8 to the financial statements.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the PARISHES OF TERREBONNE AND LAFOURCHE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended December 31, 2013

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Highlights of next year's General Fund budget include:

**Condensed Summary of Budgeted Finances**

	<u>2014</u>
<b>Anticipated revenues</b>	\$ 786,100
<b>Expenditures:</b>	
Current	549,800
Debt service	96,113
Capital outlay	<u>137,000</u>
Anticipated expenditures	<u>782,913</u>
Reserved by Board for Fire Truck Replacement	25,000
Excess of revenues	(21,813)
<b>Fund Balance:</b>	
Beginning of the year	<u>969,783</u>
End of the year	<u><u>\$947,970</u></u>

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Byron Ells, Chairman  
1105 Hwy 55  
Montegut, LA  
Phone # 985-856-1599



## ***FINANCIAL SECTION***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Commissioners of  
Fire Protection District No. 6  
Of the Parishes of Terrebonne and Lafourche

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fire Protection District No. 6 Of the Parishes of Terrebonne and Lafourche (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2013, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Statements*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of December 31, 2013 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Commissioners of the  
Fire Protection District No. 6  
Of the Parishes of Terrebonne and Lafourche  
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***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 4, 2014, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
April 4, 2014



**FIRE PROTECTION DISTRICT NO. 6  
OF THE PARISHES OF TERREBONNE AND LAFOURCHE**

Statement of Net Position  
December 31, 2013

**ASSETS**

Cash	\$ 197
Investments	1,070,486
Ad valorem taxes receivable	158,037
Due from other governmental units	625,878
Miscellaneous receivable	938
Prepaid Insurance	42,936
Capital Assets, net of accumulated depreciation	1,698,175
<b>TOTAL ASSETS</b>	<b><u>\$ 3,596,647</u></b>

**LIABILITIES**

Accounts payable	\$ -
Interest payable	11,667
Long-term Liabilities:	
Due in one year	85,000
Due in more than one year	275,000
Other noncurrent liability - net other postemployment benefit liability	<u>109,290</u>
<b>TOTAL LIABILITIES</b>	<b><u>480,957</u></b>

**DEFERRED INFLOWS OF RESOURCES**

Deferred ad valorem tax revenue	788,498
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**NET POSITION**

Net Invested in capital assets	1,338,175
Resticted	25,000
Unrestricted	<u>964,017</u>
<b>Total net position</b>	<b><u>\$ 2,327,192</u></b>

See notes to financial statements.

**FIRE PROTECTION DISTRICT NO. 6**  
**OF THE PARISHES OF TERREBONNE AND LAFOURCHE**

Statement of Activities - Governmental Activities  
For the Year Ended December 31, 2013

<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Charges for services</b>	<b>Operating Grants</b>	<b>Net (Expense) Revenue</b>
Public safety	\$ 688,367	\$ -	\$ 43,090	\$ (645,277)
Total governmental activities	<u>\$ 688,367</u>	<u>\$ -</u>	<u>\$ 43,090</u>	<u>(645,277)</u>

**GENERAL REVENUES (EXPENSES)**

Ad valorem taxes	815,763
State revenue sharing	12,500
Insurance Proceeds	8,698
Miscellaneous	2,500
Unrestricted investment earnings	<u>685</u>
<b>TOTAL GENERAL REVENUES</b>	<b>840,146</b>

CHANGE IN NET POSITION 194,869

**NET POSITION:**

Beginning of year	<u>2,132,323</u>
End of year	<u><u>\$ 2,327,192</u></u>

See notes to the financial statements.

**FIRE PROTECTION DISTRICT NO. 6**  
**OF THE PARISHES OF TERREBONNE AND LAFOURCHE**

Balance Sheet - Governmental Fund - General Fund  
December 31, 2013

**ASSETS**

Cash	\$ 197
Investments	1,070,486
Receivables	
Taxes	158,037
Other miscellaneous	938
Due from other governmental units	625,878
Prepaid Insurance	42,936
<b>TOTAL ASSETS</b>	<b><u>\$ 1,898,472</u></b>

**LIABILITIES**

Accounts payable	\$ -
Deferred revenue	788,498
<b>TOTAL LIABILITIES</b>	<b><u>788,498</u></b>

**FUND BALANCE:**

Non-spendable - Prepaid Insurance	42,936
Committed for Fire Truck Replacement	25,000
Unassigned	1,042,038
<b>TOTAL FUND BALANCE</b>	<b><u>1,109,974</u></b>

**RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR  
GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE  
STATEMENT OF NET POSITION:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Add Non-depreciable capital assets	4,378	
Add - Depreciable capital assets	3,458,714	
Deduct - Accumulated depreciation	<u>(1,764,917)</u>	1,698,175

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deduct -Certificates of Indebtedness	Due within 1 year	(85,000)	
Deduct -Certificates of Indebtedness	Due in more than 1 year	<u>(275,000)</u>	(360,000)
Add - Unamortized Debt Issuance Costs			-
Deduct - Accrued Interest Payable			(11,667)
Deduct - OPEB liability			<u>(109,290)</u>
Net assets of governmental activities			<b><u>\$ 2,327,192</u></b>

See notes to financial statements.

**FIRE PROTECTION DISTRICT NO. 6  
OF THE PARISHES OF TERREBONNE AND LAFOURCHE**

Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Fund - General Fund  
For the Year Ended December 31, 2013

**REVENUES**

Ad Valorem Taxes	\$ 815,763
Intergovernmental:	
State of Louisiana:	
State Revenue Sharing	12,500
Fire Insurance Tax	19,090
Supplemental pay	24,000
Interest	685
Miscellaneous	2,500
<b>TOTAL REVENUES</b>	<u>874,538</u>

**EXPENDITURES**

Current - Public Safety:	
Salaries and benefits	338,346
Uniforms	7,119
Office operations	5,077
Gasoline, Diesel & Oil	12,564
Operating supplies	10,646
Utilities	22,825
Telephone	9,145
Insurance	53,523
2% Fire Insurance Rebate	6,671
Volunteer response and training	5,150
E-911 Fire Dispatch Services	4,051
Professional service fees	21,915
Publish Proceedings/Class Ads	1,529
Travel & Training	2,537
Membership dues	1,759
Miscellaneous	1,569
Repairs and maintenance	52,942
	<u>557,368</u>
Capital outlay	28,775
Debt service:	
Principal payments	80,000
Interest and fees	14,000
	<u>94,000</u>
<b>TOTAL EXPENDITURES</b>	<u>680,143</u>
 <b>REVENUES OVER (UNDER) EXPENDITURES</b>	 194,395
 <b>OTHER FINANCING SOURCES (USES):</b>	
Insurance Proceeds	8,698
	<u>8,698</u>
<b>NET CHANGE IN FUND BALANCE</b>	203,093
<b>FUND BALANCE:</b>	
Beginning of year	906,881
End of year	<u>\$ 1,109,974</u>

See notes to financial statements.



**FIRE PROTECTION DISTRICT NO. 6**  
**OF THE PARISHES OF TERREBONNE AND LAFOURCHE**

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Fund to the Statement of Activities  
For the Year Ended December 31, 2013

Net change in fund balances	\$ 203,093
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Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives, and reported as depreciation expense.

Add - Capital outlay	28,775
Deduct - Depreciation expense	(103,326)
	<u>(74,551)</u>

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds.

Add - principal payments on long-term debt	80,000
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Some expenses reported in the government-wide statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.

Add - Decrease in Accrued Interest Payable	5,114
Deduct - Increase in OPEB Liability	(18,787)

Change in net assets - governmental activities	<u><u>\$ 194,869</u></u>
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See notes to financial statements.

***FIRE PROTECTION DISTRICT NO. 6***  
***Of the Parishes of Terrebonne and Lafourche, State of Louisiana***  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

***INTRODUCTION***

Fire Protection District No. 6 of the Parishes of Terrebonne and Lafourche (the District) was formed under La. Revised Statute 40:1492 and 40:1496 and by Terrebonne Parish resolution adopted June 11, 1947 and revised by Terrebonne Parish ordinance 5175 adopted January 12, 1994. The District is governed by a Board of Commissioners comprised of seven members appointed by the Terrebonne and Lafourche Parish Councils.

The District was formed for the acquisition, purchase, construction, improvement, maintenance, and operations of fire protection facilities and equipment, and obtaining water for fire protection purposes in Ward 6 of the Parish of Terrebonne and in Ward 11 of the Parish of Lafourche.

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

***Note 1***                      ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

***A. Reporting Entity***

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the council to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The District is considered a component unit of the Terrebonne Parish Consolidated Government, and as such, these financial statements will be included in the comprehensive annual financial report (CAFR).

**B.      Basis of Presentation**

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

***Governmental Fund Type***

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance.

In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

- General Fund - The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in other funds.

**C.      Measurement Focus / Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

*Fund Financial Statements (FFS)*

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet.

The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

- **Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2011 property taxes which were levied to finance the 2012 budget are recognized as revenue in 2012. . The 2012 tax levy is recorded as deferred revenue in the current financial statements.
- Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.
- **Expenditures** – The major expenditures current public safety supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

*Government-Wide Financial Statements (GWFS)*

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

**D. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**E. Operating Budgets**

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The district amended its budget for the year ended December 31, 2012 as required. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**F.      Cash and Investments**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

**G.      Receivables**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

**H.      Prepaid Insurance**

The District has recorded prepaid insurance in the General Fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**I.      Vacation and Sick Leave**

Accumulated vacation and sick leave is recorded as an expenditure of the period in which paid in the Governmental Fund. Full time employees are entitled to eighteen days vacation after one year of service. Each year the employee must use vacation time accumulated before their anniversary date (the day they first began working), if not taken it is forfeited. The vacation period is increased one day for each year of service over ten years, up to a maximum of thirty days. There is no material accumulated vacation or sick leave at year end.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**J. Capital Assets**

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<b>CATEGORY</b>	<b>LIFE</b>
BUILDINGS AND IMPROVEMENTS	25-40 YEARS
MACHINERY AND EQUIPMENT	5-20 YEARS
OFFICE FURNITURE, FIXTURES & EQUIPMENT	5-10 YEARS

**K. Fund Equity**

For government-wide statement of net position, net assets are displayed in three components:

- Invested in capital assets – including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any.
- Restricted net assets – those with constraints placed on the use either by:
  - i. External groups such as creditors, grantors, contributions or laws or regulations of other governments; or
  - ii. Law through constitutional provisions or enabling legislation.
- Unrestricted net assets – all other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**K. Fund Equity (continued)**

Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Board through approval in minutes. Assigned fund balances is a limitation imposed by a designee of the Board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

**Note 2      DEPOSITS AND INVESTMENTS**

Deposit balances at year end are as follows:

	Per Bank	As Reported
Cash	\$ 29,092	\$ 197

State law requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the District or with an unaffiliated bank or trust company for the account of the political subdivision. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized. Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. At year end none of the bank balance was exposed to custodial credit risk.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.



**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 2      DEPOSITS AND INVESTMENTS (continued)**

*Investments:*

Investment balances and maturities at year end are as follows:

Investment Type	As Reported	Fair Value	Maturity
Louisiana Asset Management Pool	\$1,070,486	\$1,070,486	LESS THAN 1 YEAR

For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission. LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or back by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 3                      AD VALOREM TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in both Parishes. Assessed values are established by the Terrebonne and Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2012. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2012 was \$16.00 per \$1,000 of assessed valuation on property within Fire Protection District No. 6 for the purpose of acquiring, constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes, including fire hydrant rentals and service.

**Note 4                      CAPITAL ASSETS**

Information about capital assets and depreciation for the year are summarized as follows:

	Balance	Additions	Deletions/ Adjustments	Balance
<b>NON-DEPRECIABLE ASSETS</b>				
Land	\$ 4,378	\$ -	\$ -	\$ 4,378
	4,378	-	-	4,378
<b>DEPRECIABLE ASSETS:</b>				
Buildings & Improvements	1,867,251	11,456	-	1,878,707
Machinery & Equipment	1,516,183	17,320	-	1,533,503
Office Furniture & Equipment	46,505	-	-	46,505
Total Cost of depreciable assets	3,429,939	28,775	-	3,458,714
Total Cost of Assets	3,434,317	28,775	-	3,463,092

***FIRE PROTECTION DISTRICT NO. 6***  
***Of the Parishes of Terrebonne and Lafourche, State of Louisiana***  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**ACCUMULATED DEPRECIATION**

Buildings & Improvements	504,295	45,072	-	549,367
Machinery & Equipment	1,117,223	55,900	-	1,173,123
Office Furniture & Equipment	40,073	2,355	-	42,428
Total accumulated depreciation	1,661,591	103,326		1,764,917
Net depreciable assets	<u>\$1,768,348</u>			<u>\$1,693,797</u>
Net capital assets	<u><b>\$1,772,726</b></u>			<u><b>\$1,698,175</b></u>

Depreciation Expense of \$103,326 was recorded in the governmental activities.

**NOTE 5 DUE FROM OTHER GOVERNMENTAL UNITS**

The detail from whom amounts are due at year end are as follows:

Lafourche Parish Tax Collector	\$24,567
Terrebonne Parish Tax Collector	601,311
<b>Total</b>	<b>\$625,878</b>

**Note 6 LONG-TERM DEBT**

A summary of changes in the long-term debt for the year is as follows:

CATEGORY	BEGINNING BALANCE	ADDITIONS	PAYMENTS	ENDING BALANCE
COI, Series, 2012	\$440,000	\$ -	\$80,000	\$360,000

In 2012 the Board approved the issuance, sale and delivery of not exceeding \$750,000 of Limited Tax Certificates of Indebtedness, Series 2012 for the purpose of acquiring, constructing and maintaining fire protection facilities and paying the costs of issuance. The Certificates are secured by and payable from a special 16 mills tax, authorized at an election held within the District on October 20, 2010.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 6      LONG-TERM DEBT (continued)**

The Certificates are issued with a final maturity not exceeding five years from date thereof and an interest rate not exceeding 6.0%.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

YEAR	PRINCIPAL	INTEREST	TOTAL
3/1/2014	\$65,000	\$11,138	\$76,138
3/1/2015	85,000	8,138	93,138
3/1/2016	90,000	5,975	95,975
3/1/2017	95,000	1,838	96,838
3/1/2018	85,000	89	85,089
	\$360,000	\$26,250	\$386,250

**NOTE 7      FIREFIGHTERS RETIREMENT SYSTEM**

**PLAN DESCRIPTION** – The District contributes to the Firefighters' Retirement System of Louisiana (FRS), a cost-sharing multiple-employer defined benefit public retirement system, which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 434 of the 1979 Louisiana Legislative Session established the plan. The System is governed by Louisiana R.S. 11:2251 – 11:2269, specifically, and other general laws of the State.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters' Retirement System of Louisiana, 2051 Silverside Dr., Suite 210, Baton Rouge, LA 70808-4136 or at their website <http://www.lafirefightersret.com>.

**FUNDING POLICY** – Plan members are required to contribute 10% of their earnable compensation and the District is required to contribute an actuarially determined rate. For the current year, the rate is 28.25%. The contribution requirements of plan members and the District are established and may be amended by state statute. As of June 30, 2013, FRS was 71.13% funded compared to 71.66 % as of June 30, 2012.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**NOTE 7      FIREFIGHTERS RETIREMENT SYSTEM (continued)**

This slight decrease results from unfavorable market conditions along with favorable liability experience. Net assets held in trust to pay pension benefits at June 30, 2013 totaled \$1.2 billion.

The District's contributions to the System for the years ending December 31, 2011, 2012, and 2013 were \$36,463, \$39,544, and \$43,385 respectively and are included in Salaries and Benefits on the fund financial statements.

**NOTE 8      OTHER POST EMPLOYMENT BENEFITS**

The District has implemented Governmental Accounting Standards Board (GASB) Statement 45 which addresses the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," requires the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

**Plan Description.** The District provides for the payment of hospitalization and life insurance premiums through the Terrebonne Parish Consolidated Government for retired employees as approved by the Board. The District will fund the entire premium for all employees retiring with at least ten years service or retiring from the formal retirement systems. A retired employee may be provided dependent hospitalization coverage at a cost depending on their retirement date. The cost of providing this benefit is recognized as expenditure as premiums are paid. For the current year the District paid \$6,338 in retiree benefits for 1 retiree, included in the Salaries and Benefits on the fund financial statement.

Terrebonne Parish Consolidated Government contracts with an actuarial consultant to provide an actuarial valuation of the District's OPEB liability under GASB Statement 45. The Parish selected Lewis & Ellis, Inc. to perform an actuarial valuation of its postemployment healthcare plans with a valuation date of September 30, 2013. The most recent OPEB liability actuarial valuation was completed for the plan year that ended December 31, 2013.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**NOTE 9      OTHER POST EMPLOYMENT BENEFITS (continued)**

**Funding Policy.** GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The District currently funds these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits.

**Annual OPEB Cost.** The annual required contribution (ARC), an actuarially determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed twenty-five (25) years.

The following table represents the OPEB costs for the year and the annual required contribution:

Normal cost	\$ 4,952
Minimum Amortization of Unfunded	12,888
Interest Adjustment to Year-end	758
Annual Required Contribution	<u>\$ 18,598</u>

**Funding Status and Funding Progress.** The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending December 31, 2012 was as follows:

Annual Required Contribution	\$ 18,598
ARC adjustment	(3,574)
Interest Adjustment to net OPEB Obligation	3,846
Annual OPEB Cost	<u>18,871</u>
Contributions Made	(84)
Increase in Net OPEB Obligation	<u>18,787</u>
Net OPEB Obligation - beginning of year	90,503
Net OPEB Obligation - end of year	<u><u>\$ 109,290</u></u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**NOTE 9      OTHER POST EMPLOYMENT BENEFITS (continued)**

The required schedule of funding progress provides multiyear trend information (only one year available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions.** The valuation of the plan is based on assumptions with regard to the survival of plan members, the average per-capita claim costs, when current employees are expected to retire, and so forth. The assumptions were derived from a combination of plan experience, actuarial judgment and the Parish's pension annual financial report. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

Significant methods and assumptions were as follows:

- For mortality, we have used the sex-distinct RP-2000 Combined Healthy Mortality Table.
- Discount rate – 4.25%
- Actuarial cost method - Entry age normal
- Actuarial valuation date 1/1/2012
- Remaining amortization period - 30 years
- Projected salary increases - 3%

**Note 10      RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the District participates in the Parish's risk management program for general liability, workers' compensation, group insurance, property and auto liability. No settlements were made during the year that exceeded the insurance coverage. The Parish handles all claims filed against the District.

**Note 11      SUPPLEMENTAL PAY**

In addition to the compensation paid to employees, firemen may be eligible to receive supplemental pay. The amount of the compensation is determined by State Law and is revised periodically. During the current year the District has recognized revenue and expenditures of \$24,000 in salary supplements.

**FIRE PROTECTION DISTRICT NO. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

**Note 12      COMPENSATION OF BOARD MEMBERS**

Board Member per diem payments are included in salaries and benefits on the financial statements. Compensation was paid to Board Members during the current year as follows:

Board Member	Per Diem
Cleo Callais, Jr.	\$ 300
Maryetta Ellender	360
A.J. Cavalier	270
Alcee Dupre, Jr.	360
Byron Eells, III.	360
Glynn Martin	300
Gale LeBoeuf	240
	\$ 2,190



***REQUIRED SUPPLEMENTAL  
INFORMATION***

**FIRE PROTECTION DISTRICT NO. 6**  
**OF THE PARISHES OF TERREBONNE AND LAFOURCHE**

Budget Comparison Schedule - General Fund  
For the Year Ended December 31, 2013

	Budgets		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
<b>REVENUES</b>				
Ad Valorem Taxes	\$745,000	\$725,322	\$815,763	\$ 90,441
Intergovernmental:				
State of Louisiana:				
State Revenue Sharing	12,000	12,000	12,500	500
Fire Insurance Tax	16,500	19,000	19,090	90
Supplemental pay	24,000	24,000	24,000	-
Interest	1,400	700	685	(15)
Miscellaneous	1,450	1,350	2,500	1,150
<b>TOTAL REVENUES</b>	<u>800,350</u>	<u>782,372</u>	<u>874,538</u>	<u>92,166</u>
<b>EXPENDITURES</b>				
Public safety - current:				
Salaries and benefits	305,700	268,700	338,346	(69,646)
Office operations	40,850	12,950	5,077	7,873
Uniforms and Bunker Gear	10,000	45,000	7,119	37,881
Gasoline, Diesel & Oil	12,000	12,500	12,564	(64)
Operating supplies	8,000	10,000	10,646	(646)
Utilities	20,000	21,750	22,825	(1,075)
Telephone	10,000	8,700	9,145	(445)
Insurance	149,000	141,000	53,523	87,477
2% Fire Insurance Rebate	-	8,000	6,671	1,329
Volunteer response and training	-	6,000	5,150	850
E-911 Fire Dispatch Services	4,000	4,050	4,051	(1)
Professional service fees	24,500	22,500	21,915	585
Publish Proceedings/Class Ads	5,000	-	1,529	(1,529)
Travel & Training	11,000	3,600	2,537	1,063
Membership dues	2,000	1,000	1,759	(759)
Miscellaneous	400	-	1,569	(1,569)
Repairs and maintenance	52,500	48,900	52,942	(4,042)
Total public safety - current	<u>654,950</u>	<u>614,650</u>	<u>557,368</u>	<u>126,928</u>
Capital expenditures	52,000	30,500	28,775	1,725
Debt service:				
Principal payments	80,000	80,000	80,000	-
Interest and fees	14,000	14,000	14,000	-
	<u>94,000</u>	<u>94,000</u>	<u>94,000</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>800,950</u>	<u>739,150</u>	<u>680,143</u>	<u>128,653</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(600)</u>	<u>43,222</u>	<u>194,395</u>	<u>151,173</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Insurance Proceeds	85,000	9,000	8,698	302
<b>NET CHANGE IN FUND BALANCE</b>	<u>84,400</u>	<u>52,222</u>	<u>203,093</u>	<u>151,475</u>
<b>FUND BALANCES</b>				
Beginning of year	906,881	906,881	906,881	-
End of year	<u>\$991,281</u>	<u>\$959,103</u>	<u>\$1,109,974</u>	<u>\$151,475</u>

***REPORTS REQUIRED BY GOVERNMENT  
AUDITING STANDARDS***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners of  
Fire Protection District No. 6  
Of the Parishes of Terrebonne and Lafourche

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Fire Protection District No. 6, Of the Parishes of Terrebonne and Lafourche , a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated April 4, 2014.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Commissioners  
Fire Protection District No. 6  
Of the Parishes of Terrebonne and Lafourche  
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fire Protection District No. 6's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Stagni & Company*

Thibodaux, LA  
April 4, 2014



**Fire Protection District No. 6**  
**Of the Parishes of Terrebonne and Lafourche, State of Louisiana**  
**SCHEDULE OF CURRENT YEAR FINDINGS**  
*For the Year Ended December 31, 2013*

***Section I - Summary of Auditor's Reports***

- The auditor's report expresses an unqualified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- The District neither received nor expended any federal awards during the year.

***Section II - Financial Statement Findings***

- There were no financial statement findings during the audit of the basic financial statements.

***Section III - Federal Award Findings and Questioned Costs***

- There were no federal award findings during the audit of the basic financial statements.

